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DIVISION OF
OIL, GAS AND MINING

January 23, 2001

m/047/013

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Reply to:

Vernal Office

D. Wayne Hedberg, Permit Supervisor
State of Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City Utah 84114-5801

RE: Response to November 2, 2000, inquires to mine proposal
of BLM lease U-0115850

Dear Mr. Hedberg:

Ziegler's map of the mining that took place on the south branch of the cowboy vein was last updated in January of 1972. There has been no mining take place in Sec. 3 since the early 1970's. Some time after mining ceased in that section the shafts and escapeways were each covered with a cement slab. All of the structures were removed with the exception of a cement pad that is approximately 12' X 16' and some cement blocks that are about 2' X 2' X 3'. It appears that prior to fencing off that part of the vein someone did some leveling along the vein where the old derricks and hoist houses were. There is a two-track dirt road that leaves state route 45. This road was used to service the old mines. It makes a loop from S.R. 45 through some of the old mine locations then back to S.R. 45. All of this area has been in general disuse, with the exception of the occasional hunter. The area around these old mines and the old roadway are overgrown with vegetation.

Initial construction of the mine entry and the raising of a small derrick at CBSV-1 will require access by wheeled vehicles. After the cement is poured and the derrick is delivered Ziegler will fence a 20 foot by 20 foot area around the re-entry site. Ziegler will fence off a similar area around the old Cowboy #4 mine that will be by an escapeway. The Cowboy #4 escapeway will be accessible directly from S.R. 45. These escapeways will be used only as an exit in the event of an emergency in the mine. There is no need of any vehicular travel between the mineshaft and the

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escapeways. Fencing off the immediate area around them will help insure public safety, and minimize impact to the visual environment.

The cement opening to a mineshaft, which are referred to as a "collar" are normally set on solid rock formations. This provides stability for long term use. When all mining ceases the collar will be "pushed in". That is to say that it will be broken up and allowed to fall down the mine. Ziegler will then place the shaft seal as part of the reclamation activities (refer to Exhibit A).

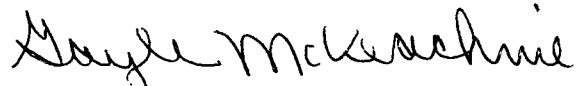
The shaft seal will be located below the shaft collar. The distance from the surface may vary depending on the rock formation. The seal may be as close as four (4) feet below the surface and as deep as ten (10) feet. The exact placement of the seal itself will depend upon the suitability of the rock formation. It is important to be certain that the seal is placed in solid rock. Ziegler will begin the seal construction by cutting a 12-inch deep notch or shelf into the rock on both sides of the vein. This notch will be cut the entire width of the shaft. A notch cut this deep into the shaft walls will insure that the seal stays in place. Just below this notch mining timbers and two-inch rough cut lumbers are placed to construct a form. A grid of 5/8 inch rebar placed on one (1) foot centers will then be formed prior to pouring a 12-inch thick concrete slab. The cement seal will be allowed to cure for seven (7) days before back filling (refer to Exhibit B).

Also, enclosed is Attachment No. 1, an estimate for the shaft seals. Attachment No. 2 is an estimate for the reclamation of the open vein in Section 3. Attachment No. 3 is an estimate for the final reclamation of M/047/013, (U-0115850) in Section 3, Township 9 South, Range 24 East, SLBM. This reclamation will occur when Ziegler Chemical has ceased all mining operations within the lease area.

If there are any further questions, please contact us.

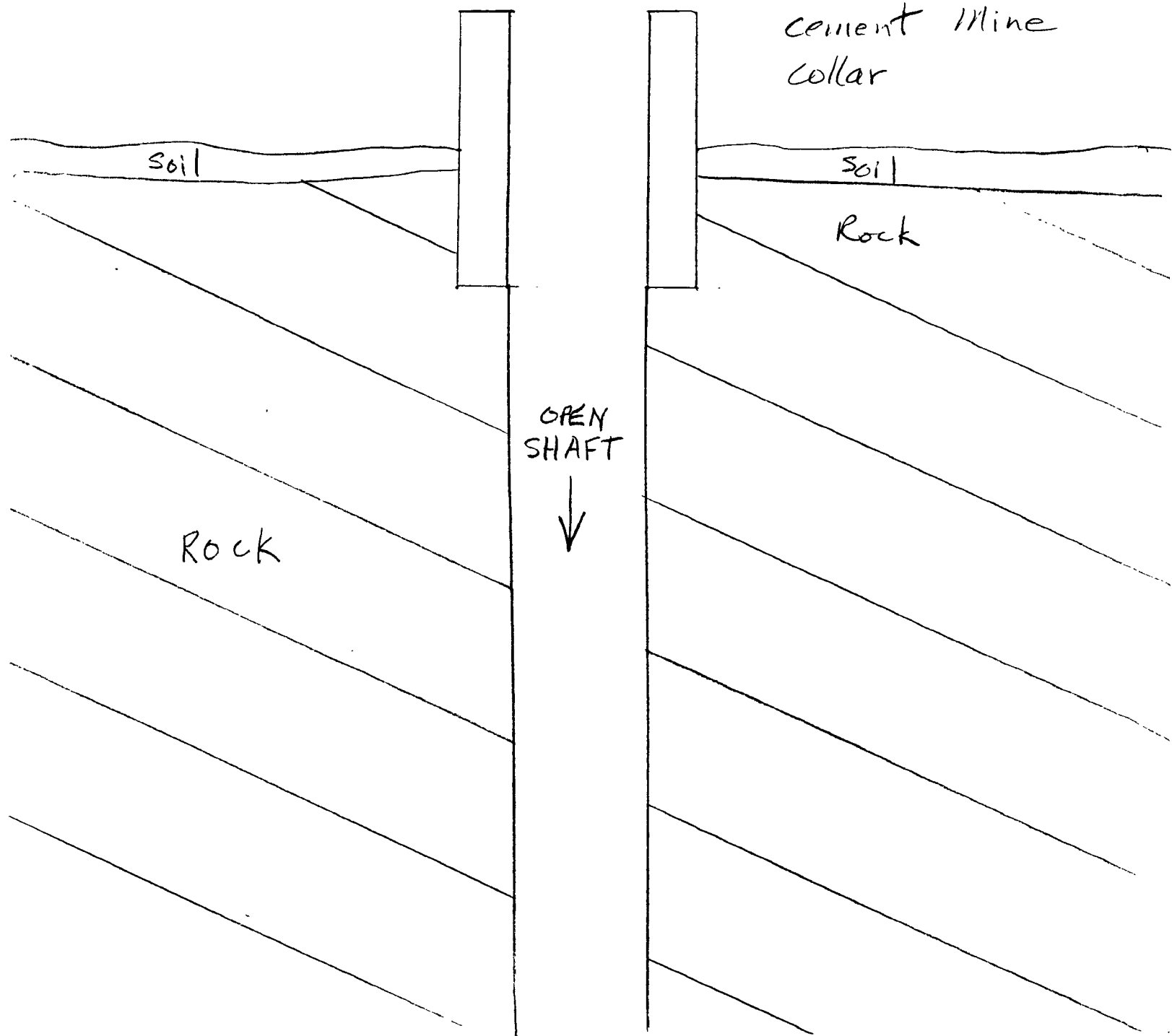
Very truly yours,

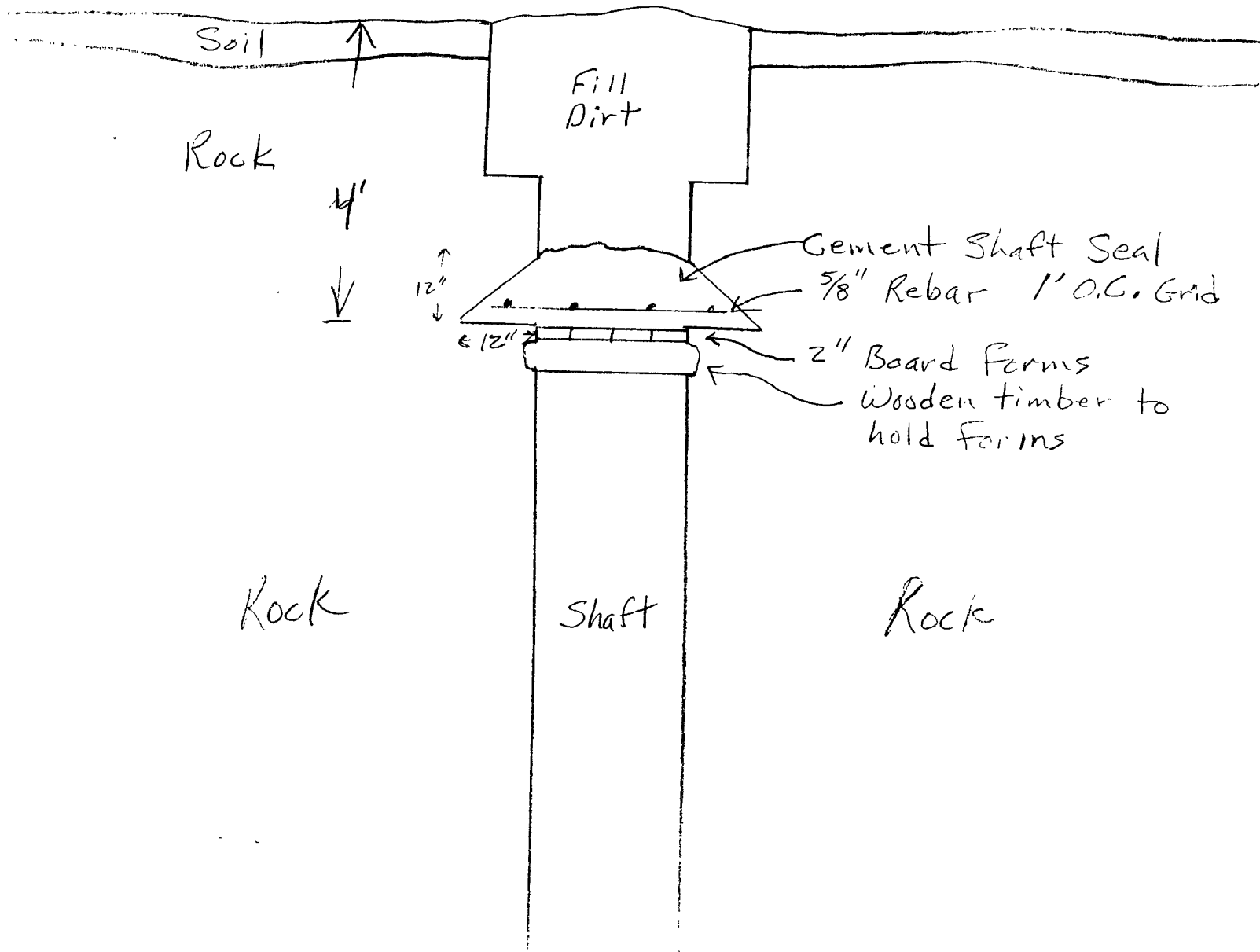
McKEACHNIE, ALLRED,
McCLELLAN & TROTTER, P.C.



By: Gayle McKeachnie

GFM/sm
Enclosure





COWBOY SECTION 3 SHAFT SEALS

<u>Material</u>	<u>#units</u>	<u>units</u>	<u>\$units</u>	<u>\$Total</u>
2 miners + equipment	40	hrs	26.16	\$1,046.40
1 carpenter foreman	8	hrs	45.6	\$364.80
1 carpenter helper	8	hrs	34.7	\$277.60
Forms, etc. (SUM)	1	sum	42.4	\$42.40
Rebar (SUM)	5	sum	5.3	\$26.50
Front-end loader and operator	16	hrs	113.13	\$1,810.08
Concrete	2.5	CY	100	\$250.00
		TOTAL		\$3,817.78

Price quotes are unavailable so units costs in this estimate are from the Means Heavy Construction Cost Data 2001 book.

COWBOY SECTION 3 - OPEN VEIN

<u>Material</u>	<u>#units</u>	<u>units</u>	<u>\$units</u>	<u>\$Total</u>
<u>EARTHWORK & GRADING</u>				
front end loader and operator	40	hrs	113.13	\$4,525.20
backhoe and operator	40	hrs	116.53	\$4,661.20
<u>CAPPING</u>				
concrete	45	CY	100	\$4,500.00
1 carpenter foreman	20	hrs	45.6	\$912.00
1 carpenter helper	20	hrs	34.7	\$694.00
forms, etc. (SUM)	1	sum	1368	\$1,368.00
rebar (SUM)	113	sum	5.3	\$598.90
<u>REVEGETATION</u>				
tractor + drill + operator	8	hrs	66.76	\$534.08
seed mix @ 12 lbs./acre	.65	acre	36.25	\$282.72
fertilizer @ 200 lbs./acre	.65	acre	.14	\$18.20
TOTAL				\$18,094.30

Price quotes are unavailable so units costs in this estimate are from the Means Heavy Construction Cost Data 2001 book.

COWBOY NORTH VEIN #1

<u>Material</u>	<u>#units</u>	<u>units</u>	<u>\$units</u>	<u>\$Total</u>
<u>STRUCTURE REMOVAL</u>				
55 ton hydraulic crane	16	hrs	123.96	\$1,983.36
1 equipment operator (crane)	16	hrs	47.15	\$754.40
1 equipment operator (oiler)	16	hrs	39	\$624.00
1 Elec. foreman	24	hrs	51.95	\$1,246.80
1 welder + welding equip.	24	hrs	74.75	\$1,794.00
1 welder helper	24	hrs	59.6	\$1,430.40
2 laborers	24	hrs	35.75	\$858.00
1 crew truck	3	day	99.45	\$298.35
<u>EARTHWORK & GRADING</u>				
front end loader and operator	0	hrs	113.13	\$0.00
backhoe and operator	10	hrs	116.53	\$1,165.30
motor grader & operator	10	hrs	109.11	\$1,091.10
dozer & operator	8	hrs	187.16	\$1,497.28
<u>CAPPING</u>				
concrete	25	CY	100	\$2,500.00
1 carpenter foreman	40	hrs	45.6	\$1,824.00
1 carpenter helper	40	hrs	34.7	\$1,388.00
forms, etc. (SUM)	5	sum	42.4	\$212.00
rebar (SUM)	25	sum	5.3	\$132.50
<u>REVEGETATION</u>				
tractor + drill + operator	8	hrs	66.76	\$534.08
seed mix @ 12 lbs./acre	5	acre	36.25	\$2,175.00
fertilizer @ 200 lbs./acre	5	acre	.14	\$140.00
TOTAL				\$21,648.57

Price quotes are unavailable so units costs in this estimate are from the Means Heavy Construction Cost Data 2001 book.